

## **ARTICLE 7.        CONDITIONS OF OPERATION**

### **5:12-96   Operation certificate**

a. Notwithstanding the issuance of a license therefor, no casino or simulcasting facility may be opened or remain open to the public, and no gaming or simulcast wagering activity, except for test purposes, may be conducted therein, unless and until a valid operation certificate has been issued to the casino licensee by the commission. Such certificate shall be issued by the commission upon a finding that a casino and, if applicable, a simulcasting facility each complies in all respects with the requirements of this act and regulations promulgated hereunder, that the casino licensee has implemented necessary management controls and security precautions for the efficient operation of the casino and, if applicable, the simulcasting facility, that casino and simulcasting facility personnel are licensed for the performance of their respective responsibilities, and that the casino and any applicable simulcasting facility are prepared in all respects to receive and entertain the public.

b. The operation certificate shall include an itemized list by category and number of the authorized games permitted in the particular casino establishment and any applicable simulcasting facility.

c. A casino licensee shall, in accordance with regulations promulgated by the commission, file any changes in the number of authorized games to be played in its casino or simulcasting facility, and any changes in the configuration of the casino or simulcasting facility, with the commission and the division, which shall review the changes for compliance with the "Casino Control Act," P.L.1977, c. 110 (C. 5:12-1 et seq.) or regulations promulgated thereunder.

d. An operation certificate shall remain in force and effect unless altered in accordance with subsection c. of this section, or revoked, suspended, limited, or otherwise altered by the commission in accordance with this act.

e. It shall be an express condition of continued operation under this act that a casino licensee shall maintain all books, records, and documents pertaining to the licensee's operations, including casino simulcasting, and approved hotel in a manner and location within this State approved by the commission. All such books, records and documents shall be immediately available for inspection during all hours of operation in accordance with the rules of the commission and shall be maintained for such period of time as the commission shall require.

L.1977, c. 110, § 96, eff. June 2, 1977.

Amended by:

L.1983, c. 452, § 1, eff. Jan. 11, 1984.

L.1987, c. 354, § 17, eff. Jan. 4, 1988.

L.1991, c. 182, § 34, eff. June 29, 1991.

L.1993, c. 292, § 17, eff. Dec. 21, 1993.

L.1995, c. 18, § 34, eff. Jan. 25, 1995.

### **5:12-97 Hours of operation**

a. Each casino licensed pursuant to this act shall be permitted to operate 24 hours a day unless otherwise directed by the commission in accordance with its authority under P.L.1977, c.110 (C.5:12-1 et seq.).

b. A casino licensee shall file with the commission a schedule of hours prior to the issuance of an initial operation certificate. If the casino licensee proposes any change in scheduled hours, such change may not be effected until such licensee files a notice of the new schedule of hours with the commission. Such filing must be made 30 days prior to the effective date of the proposed change in hours.

c. Nothing herein shall be construed to limit a casino licensee in opening its casino later than, or closing its casino earlier than, the times stated in its schedule of operating hours; provided, however, that any such alterations in its hours shall comply with the provisions of subsection a. of this section and with regulations of the commission pertaining to such alterations.

L.1977, c. 110, § 97, eff. June 2, 1977.

Amended by:

L.1991, c. 182, § 35, eff. June 29, 1991.

L.1992, c. 9, § 97, eff. May 19, 1992.

L.1992, c. 36, § 1, eff. June 30, 1992.

L.2002, c. 65, § 20, eff. Aug. 14, 2002.

### **5:12-98 Casino facility requirements**

a. Each casino licensee shall arrange the facilities of its casino and, if appropriate, its simulcasting facility in such a manner as to promote optimum security for the casino and simulcasting facility operations, and shall comply in all respects with regulations of the commission pertaining thereto.

b. Each casino hotel shall include:

(1) A closed circuit television system according to specifications approved by the commission, with access on the licensed premises to the system or its signal provided to the commission or the division, in accordance with regulations pertaining thereto;

(2) One or more rooms or locations approved by the commission as casino space; and

(3) Design specifications that insure that visibility in a casino or in the simulcasting facility is not obstructed in any way that might interfere with the ability of the commission or the division to supervise casino or simulcasting facility operations.

L.1977, c. 110, § 98, eff. June 2, 1977.

Amended by:

L.1991, c. 182, § 36, eff. June 29, 1991.

L.1993, c. 292, § 18, eff. Dec. 21, 1993.

L.1995, c. 18, § 35, eff. Jan. 25, 1995.

L.1996, c. 84, § 5, eff. July 25, 1996.

### **5:12-99 Internal controls**

a. Each applicant for a casino license shall submit to the commission a

description of its initial system of internal procedures and administrative and accounting controls for gaming and simulcast wagering operations accompanied by a certification by its Chief Legal Officer or equivalent that the submitted procedures conform to the requirements of this act, P.L.1977, c.110 (C.5:12-1 et seq.), and the regulations promulgated thereunder, and a certification by its Chief Financial Officer or equivalent that the submitted procedures provide adequate and effective controls, establish a consistent overall system of internal procedures and administrative and accounting controls and conform to generally accepted accounting principles. Each applicant shall make its initial submission at least 30 days before such operations are to commence unless otherwise directed by the commission. Except as otherwise provided in subsection b. of this section, a casino licensee, upon submission to the commission of a narrative description of a change in its system of internal procedures and controls and the two certifications described above, may, following the 15th day after submission, implement the change. Each initial internal control submission shall contain a narrative description of the internal control system to be utilized by the casino, including, but not limited to:

- (1) Accounting controls, including the standardization of forms and definition of terms to be utilized in the gaming and simulcast wagering operations;

- (2) Procedures, forms, and, where appropriate, formulas covering the calculation of hold percentages; revenue drop; expense and overhead schedules; complimentary services, except as provided in paragraph (3) of subsection m. of section 102 of P.L.1977, c.110 (C.5:12-102); junkets; and cash equivalent transactions;

- (3) Job descriptions and the system of personnel and chain-of-command, establishing a diversity of responsibility among employees engaged in casino or simulcasting facility operations and identifying primary and secondary supervisory positions for areas of responsibility, which areas shall

not be so extensive as to be impractical for an individual to monitor; salary structure; and personnel practices;

(4) Procedures within the cashier's cage for the receipt, storage and disbursal of chips, cash, and other cash equivalents used in gaming and simulcast wagering; the cashing of checks; the redemption of chips and other cash equivalents used in gaming and simulcast wagering; the pay-off of jackpots and simulcast wagers; and the recording of transactions pertaining to gaming and simulcast wagering operations;

(5) Procedures for the collection and security of moneys at the gaming tables and in the simulcasting facility;

(6) Procedures for the transfer and recordation of chips between the gaming tables and the cashier's cage and the transfer and recordation of moneys within the simulcasting facility;

(7) Procedures for the transfer of moneys from the gaming tables to the counting process and the transfer of moneys within the simulcasting facility for the counting process;

(8) Procedures and security for the counting and recordation of revenue;

(9) Procedures for the security, storage and recordation of cash, chips and other cash equivalents utilized in the gaming and simulcast wagering operations;

(10) Procedures for the transfer of moneys or chips from and to the slot machines;

(11) Procedures and standards for the opening and security of slot machines;

(12) Procedures for the payment and recordation of slot machine jackpots;

(13) Procedures for the cashing and recordation of checks exchanged by casino and simulcasting facility patrons;

(14) Procedures governing the utilization of the private security

force within the casino and simulcasting facility;

(15) Procedures and security standards for the handling and storage of gaming apparatus including cards, dice, machines, wheels and all other gaming equipment;

(16) Procedures and rules governing the conduct of particular games and simulcast wagering and the responsibility of casino personnel in respect thereto; and

(17) Procedures for separately recording all transactions pursuant to section 101 of this act involving the Governor, any State officer or employee, or any special State officer or employee, any member of the Judiciary, any member of the Legislature, or any officer of a municipality or county in which casino gaming is authorized, or any gaming related casino employee, and for the quarterly filing with the Attorney General of a list reporting all such transactions.

b. The commission shall review a submission made pursuant to subsection a. to determine whether it conforms to the requirements of this act and to the regulations promulgated thereunder and provides adequate and effective controls for the operations of the particular casino hotel submitting it. If during its review, the commission preliminarily determines that a procedure in the submission contains a substantial and material insufficiency likely to have a direct and materially adverse impact on the integrity of gaming or simulcast wagering operations or the control of gross revenue, the chairman, by written notice to the casino licensee, shall: (1) specify the precise nature of the insufficiency and, when possible, an acceptable alternative procedure, (2) schedule a hearing before the full commission no later than 15 days after the date of such written notice to plenary and finally determine whether the procedure in question contains the described insufficiency, and (3) direct that the internal controls in issue not yet implemented not be implemented until approved by the commission. Upon receipt of the notice, the casino licensee shall proceed to the scheduled hearing before the full commission and may

submit a revised procedure addressing the concerns specified in the notice.

c. Notwithstanding the provisions of subsections a. and b. hereof, the commission shall, by regulation, permit changes to those internal controls required by subsection a. hereof that cannot have a material impact upon the integrity of gaming or simulcast wagering operations or the control and reporting of gross revenue, including those internal controls described in paragraph (3) of subsection a. hereof, to be implemented by a casino licensee immediately upon the preparation and internal filing of such internal controls.

d. Each casino licensee and applicant shall submit a narrative description of its system of internal procedures and administrative and accounting controls for the recording and reporting of all business transactions and agreements governed by sections 92 and 104 of P.L.1977, c.110 (C.5:12-92 and 5:12-104, as amended) no later than five days after those operations commence or after any change in those procedures or controls takes effect.

L.1977, c. 110, § 99, eff. June 2, 1977.

Amended by:

L.1979, c. 282, § 32, eff. Jan. 9, 1980.

L.1980, c. 69, § 3, eff. July 14, 1980.

L.1987, c. 354, § 18, eff. Jan. 4, 1988.

L.1991, c. 182, § 37, eff. June 29, 1991.

L.1992, c. 18, § 99, eff. June 12, 1992.

L.1992, c. 19, § 31, eff. June 12, 1992.

L.1993, c. 292, § 19, eff. Dec. 21, 1993.

L.1995, c. 18, § 36, eff. Jan. 25, 1995.

L.2002, c. 65, § 21, eff. Aug. 14, 2002.

## **5:12-100 Games and gaming equipment**

a. This act shall not be construed to permit any gaming except the conduct of authorized games in a casino room in accordance with this act and the regulations promulgated hereunder and in a simulcasting facility to the extent provided by the "Casino Simulcasting Act," P.L. 1992, c.19 (C. 5:12-191 et al.). Notwithstanding the foregoing, if the commission approves the game of

keno as an authorized game pursuant to section 5 of P.L.1977, c.110 (C.5:12-5), as amended, keno tickets may be sold or redeemed in accordance with commission regulations at any location in a casino hotel approved by the commission for such activity.

b. Gaming equipment shall not be possessed, maintained or exhibited by any person on the premises of a casino hotel except in a casino room, in the simulcasting facility, or in restricted casino areas used for the inspection, repair or storage of such equipment and specifically designated for that purpose by the casino licensee with the approval of the commission. Gaming equipment which supports the conduct of gaming in a casino or simulcasting facility but does not permit or require patron access, such as computers, may be possessed and maintained by a casino licensee in restricted casino areas specifically designated for that purpose by the casino licensee with the approval of the commission. No gaming equipment shall be possessed, maintained, exhibited, brought into or removed from a casino room or simulcasting facility by any person unless such equipment is necessary to the conduct of an authorized game, has permanently affixed, imprinted, impressed or engraved thereon an identification number or symbol authorized by the commission, is under the exclusive control of a casino licensee or his employees, and is brought into or removed from the casino room or simulcasting facility following 24-hour prior notice given to an authorized agent of the commission.

Notwithstanding any other provision of this section, equipment which supports a multi-casino progressive slot system and links and interconnects slot machines of two or more casino licensees but is inaccessible to patrons, such as computers, may, with the approval of the commission, be possessed, maintained and operated by a casino licensee either in a restricted area on the premises of a casino hotel or in a secure facility specifically designed for that purpose off the premises of a casino hotel but within the city limits of the City of Atlantic City.



Notwithstanding the foregoing, a person may, with the prior approval of the commission and under such terms and conditions as may be required by the commission, possess, maintain or exhibit gaming equipment in any other area of the casino hotel; provided such equipment is used for nongaming purposes.

c. Each casino hotel shall contain a count room and such other secure facilities as may be required by the commission for the counting and storage of cash, coins, tokens and checks received in the conduct of gaming and for the inspection, counting and storage of dice, cards, chips and other representatives of value. All drop boxes and other devices wherein cash, coins, or tokens are deposited at the gaming tables or in slot machines, and all areas wherein such boxes and devices are kept while in use, shall be equipped with two locking devices, one key to which shall be under the exclusive control of the commission and the other under the exclusive control of the casino licensee, and said drop boxes and other devices shall not be brought into or removed from a casino room or simulcasting facility, or locked or unlocked, except at such times, in such places, and according to such procedures as the commission may require.

d. All chips used in gaming shall be of such size and uniform color by denomination as the commission shall require by regulation.

e. All gaming shall be conducted according to rules promulgated by the commission. All wagers and pay-offs of winning wagers shall be made according to rules promulgated by the commission, which shall establish such limitations as may be necessary to assure the vitality of casino operations and fair odds to patrons. Each slot machine shall have a minimum payout of 83%.

f. Each casino licensee shall make available in printed form to any patron upon request the complete text of the rules of the commission regarding games and the conduct of gaming, pay-offs of winning wagers, an approximation of the odds of winning for each wager, and such other advice to the player as the commission shall require. Each casino licensee shall

prominently post within a casino room and simulcasting facility, as appropriate, according to regulations of the commission such information about gaming rules, payoffs of winning wagers, the odds of winning for each wager, and such other advice to the player as the commission shall require.

g. Each gaming table shall be equipped with a sign indicating the permissible minimum and maximum wagers pertaining thereto. It shall be unlawful for a casino licensee to require any wager to be greater than the stated minimum or less than the stated maximum; provided, however, that any wager actually made by a patron and not rejected by a casino licensee prior to the commencement of play shall be treated as a valid wager.

h. (1) Except as herein provided, no slot machine shall be used to conduct gaming unless it is identical in all electrical, mechanical and other aspects to a model thereof which has been specifically tested by the division and licensed for use by the commission. The division may, in its discretion, and for the purpose of expediting the approval process, utilize the services of any testing laboratory with a plenary license as a casino service industry pursuant to subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92) when testing a slot machine model. The division shall, within 60 days of its receipt of a complete application for the testing of a slot machine model, recommend the approval or rejection of the slot machine model to the commission. If the division is unable to complete the testing of a slot machine model within this 60-day period, the division may recommend that the commission conditionally approve the slot machine model for test use by a casino licensee provided that the division represents that the use of the slot machine model will not have a direct and materially adverse impact on the integrity of gaming or the control of gross revenue. The division shall give priority to the testing of slot machines which a casino licensee has certified it will use in its casino in this State. The commission shall, by regulation, establish such technical standards for licensure of slot machines, including mechanical and electrical reliability, security against tampering, the comprehensibility of wagering, and noise and

light levels, as it may deem necessary to protect the player from fraud or deception and to insure the integrity of gaming. The denominations of such machines shall be set by the licensee; the licensee shall simultaneously notify the commission of the settings.

(2) The commission shall, by regulation, determine the permissible number and density of slot machines in a licensed casino so as to:

(a) promote optimum security for casino operations;  
(b) avoid deception or frequent distraction to players at gaming tables;

(c) promote the comfort of patrons;  
(d) create and maintain a gracious playing environment in the casino; and

(e) encourage and preserve competition in casino operations by assuring that a variety of gaming opportunities is offered to the public.

Any such regulation promulgated by the commission which determines the permissible number and density of slot machines in a licensed casino shall provide that all casino floor space and all space within a casino licensee's casino simulcasting facility shall be included in any calculation of the permissible number and density of slot machines in a licensed casino.

i. (Deleted by amendment, P.L.1991, c. 182.)

j. (Deleted by amendment, P.L.1991, c. 182.)

k. It shall be unlawful for any person to exchange or redeem chips for anything whatsoever, except for currency, negotiable personal checks, negotiable counter checks, other chips, coupons or complimentary vouchers distributed by the casino licensee, or, if authorized by regulation of the commission, a valid charge to a credit or debit card account. A casino licensee shall, upon the request of any person, redeem that licensee's gaming chips surrendered by that person in any amount over \$100 with a check drawn upon the licensee's account at any banking institution in this State and made payable to that person.

1. It shall be unlawful for any casino licensee or its agents or employees to employ, contract with, or use any shill or barker to induce any person to enter a casino or simulcasting facility or play at any game or for any purpose whatsoever.

m. It shall be unlawful for a dealer in any authorized game in which cards are dealt to deal cards by hand or other than from a device specifically designed for that purpose, unless otherwise permitted by the rules of the commission.

n. It shall be unlawful for any casino key employee, other than a junket representative, or any person who is required to hold a casino key employee license as a condition of employment or qualification to wager in any casino or simulcasting facility in this State, or any casino employee, other than a junket representative, bartender, waiter, waitress, or other casino employee who, in the judgment of the commission, is not directly involved with the conduct of gaming operations, to wager in a casino or simulcasting facility in the casino hotel in which the employee is employed or in any other casino or simulcasting facility in this State which is owned or operated by the same casino licensee. Any casino employee, other than a bartender, waiter, waitress, or other casino employee who, in the judgment of the commission, is not directly involved with the conduct of gaming operations, must wait at least 30 days following the date that the employee either leaves employment with a casino licensee or is terminated from employment with a casino licensee before the employee may gamble in a casino or simulcasting facility in the casino hotel in which the employee was formerly employed or in any other casino or simulcasting facility in this State which is owned or operated by the same casino licensee.

o. (1) It shall be unlawful for any casino key employee or boxman, floorman, or any other casino employee who shall serve in a supervisory position to solicit or accept, and for any other casino employee to solicit, any tip or gratuity from any player or patron at the casino hotel or simulcasting facility where he is employed.

(2) A dealer may accept tips or gratuities from a patron at the table at which such dealer is conducting play, subject to the provisions of this subsection. All such tips or gratuities shall be immediately deposited in a lockbox reserved for that purpose, accounted for, and placed in a pool for distribution pro rata among the dealers, with the distribution based upon the number of hours each dealer has worked, except that the commission may permit a separate pool to be established for dealers in the game of poker, or may permit tips or gratuities to be retained by individual dealers in the game of poker.

p. Any slot system operator that offers an annuity jackpot shall secure the payment of such jackpot by establishing an annuity jackpot guarantee in accordance with the requirements of this act, P.L.1977, c.110 (C.5:12-1 et seq.), and the rules of the commission.

L.1977, c. 110, § 100, eff. June 2, 1977.

Amended by:

L.1979, c. 282, § 33, eff. Jan. 9, 1980.

L.1985, c. 350, § 4, eff. Jan. 6, 1986.

L.1987, c. 355, § 7, eff. Jan. 4, 1988.

L.1991, c. 182, § 38, eff. June 29, 1991.

L.1992, c. 9, § 10, eff. May 19, 1992.

L.1992, c. 18, § 1, eff. June 12, 1992.

L.1992, c. 19, § 19, eff. June 12, 1992.

L.1993, c. 292, § 20, eff. Dec. 21, 1993.

L.1995, c. 18, § 37, eff. Jan. 25, 1995.

L.1996, c. 84, § 6, eff. July 25, 1996.

L.1997, c. 83, § 1, eff. April 30, 1997.

L.1998, c. 141, § 1, eff. March 11, 1999.

L.2002, c. 65, § 22, eff. Aug. 14, 2002.

L.2004, c. 184, § 7, eff. Dec. 22, 2004.

L.2005, c. 31, § 3, eff. Feb. 17, 2005, oper. Apr. 30, 2005.

#### **5:12-100.1 Right to receive annuity jackpot payments**

a. The right of any annuity jackpot winner to receive annuity jackpot payments from a slot system operator shall not be assignable, except as

permitted by this section. The provisions of this section shall prevail over the provisions of the “Uniform Commercial Code – Secured Transactions,” N.J.S.12A:9-101 et seq., including N.J.S.12A:9-406, or any other law to the contrary.

b. Notwithstanding any other provision of this section, annuity jackpot payments may be paid to the estate of a deceased jackpot winner, in the same manner as they were paid to the winner, upon receipt by the slot system operator of a certified copy of an order appointing an executor or an administrator.

c. A person may be assigned and paid the annuity jackpot payments to which an annuity jackpot winner is entitled pursuant to a judicial order of the New Jersey Superior Court or any other court having jurisdiction over property located in this State provided that the order pertains to claims of ownership in the annuity jackpot payments, division of marital property in divorce actions, bankruptcy, child support, appointment of a guardian or conservator, or distribution of an estate.

d. A person may be assigned and paid the annuity jackpot payments to which an annuity jackpot winner is entitled pursuant to a judicial order of the New Jersey Superior Court or any other court having jurisdiction over property located in this State. The annuity jackpot winner and the proposed assignee shall prepare a proposed form of order and submit such proposed order to the court for its consideration. The proposed form of order shall contain the following information:

- (1) the full legal name, address, social security number or taxpayer identification number and, if applicable, resident alien number of the winner;
- (2) the full legal name, address, social security number or taxpayer identification number and, if applicable, resident alien number of the assignee;
- (3) the date on which and the casino where the annuity jackpot was won;
- (4) the slot machine game on which the annuity jackpot was won;

(5) the slot system operator primarily responsible for making the annuity jackpot payments;

(6) the gross amount of the annuity jackpot won before application of withholding taxes;

(7) the gross amount of each payment to be made to the winner by the slot system operator before application of withholding taxes;

(8) the dates of the payments to be assigned and the amount of the specific payments to be assigned on each date;

(9) the identity of the winner's spouse, if any, and the interest of the spouse, if any, in the annuity jackpot payments;

(10) the identity of any other co-owner, claimant or lienholder and the amount of the interests, liens, security interests, prior assignments or offsets asserted by each such party;

(11) that the interest rate or discount rate, as applicable, and all fees and costs and other material terms relating to the assignment are expressly and clearly included in all material documents and in all documents that include any obligations of the annuity jackpot winner;

(12) that the interest rate or discount rate, as applicable, and any other fees or charges associated with the assignment do not indicate overreaching or exploitation, do not exceed current usury rates, and does not violate any laws of usury of this State;

(13) that the winner has reviewed and understands the terms of the assignment;

(14) that the winner understands that the winner will not receive the annuity jackpot payments, or portions thereof, for the years assigned;

(15) that the winner has agreed to the assignment of the winner's own free will without undue influence or duress;

(16) that the winner has retained and consulted with independent legal counsel who has advised the winner of the winner's legal rights and obligations;

(17) that the winner has retained and consulted with an independent tax advisor concerning the tax consequences of the assignment;

(18) that the winner has disclosed all existing debts, liens and child support obligations and does not seek assignment for purposes of evading creditors, judgments or obligations for child support; and

(19) that the winner has certified that: the winner is not obligated to repay any public assistance benefits; and the winner does not have a child support obligation, or if the winner does have a child support obligation, that no arrearage is due.

The annuity jackpot winner and the proposed assignee shall provide a copy of the proposed form of order to the slot system operator at least 10 days before the court is scheduled to act on the proposed order to allow the slot system operator the opportunity to ensure that the proposed order is complete and correct in all respects prior to the court's approval.

e. Before a winner is legally bound, by agreement, contract or otherwise, and prior to the issuance of an order pursuant to subsection d. of this section, the assignee shall provide the winner with all material documents which shall be binding on the assignor, including documents evidencing obligations of the winner, and a written notice recommending that the winner obtain independent counsel before signing any document which shall be binding on the assignor. All documents shall include a notice of the assignor's right to cancel the agreement which shall be located in immediate proximity to all spaces reserved for the signature of the winner in bold-faced type of at least 10 points and which shall provide as follows:

"You have the right to cancel this assignment without any cost to you until midnight three business days after the day on which you have signed an agreement to assign all or a portion of your annuity jackpot. Cancellation occurs when you give notice by regular first class mail, postage prepaid, to the assignee at the address listed at the top of the first page of this document that you wish to cancel the assignment. Notice is deemed given when deposited in a



mailbox."

f. The slot system operator shall, not later than 10 days after receiving a true and correct copy of the filed judicial order, send the winner and the assignee written confirmation of receipt of the court-ordered assignment and of the slot system operator's intent to rely thereon in making future payments to the assignee named in the order. The slot system operator shall, thereafter, make all payments in accordance with the judicial order. No change in the terms of any assignment shall be effective unless made pursuant to a subsequent judicial order pursuant to this section.

g. The slot system operator may impose a reasonable fee on an assignor to defray any direct or indirect administrative expenses associated with an assignment.

h. The commission and the State are not parties to assignment proceedings, except that the State may intervene as necessary to protect the State's interest in monies owed to the State.

i. The slot system operator and the State shall comply with, and rely upon, a judicial order in distributing payments subject to that order.

j. A winner may pledge or grant a security interest in all or part of an annuity jackpot as collateral for repayment of a loan pursuant to a judicial order containing the information required by subsection d. of this section which the court deems relevant to the pledge or grant.

k. Except where inconsistent with the provisions of this section, the New Jersey consumer fraud act, P.L.1960, c.39 (C.56:8-1 et seq.), shall apply to all transactions under this section.

l. The provisions of subsections d., e. and j. of this section shall be invalid if:

(1) the United States Internal Revenue Service issues a technical rule letter, revenue ruling, or other public ruling in which it is determined that because of the right of assignment provided by subsection d. of this section, annuity jackpot winners who do not exercise the right to assign annuity

jackpot payments would be subject to an immediate income tax liability for the value of the entire annuity jackpot rather than annual income tax liability for each installment when received; or

(2) a court of competent jurisdiction issues a published decision holding that because of the right of assignment provided by subsection d. of this section, annuity jackpot winners who do not exercise the right to assign annuity jackpot payments would be subject to an immediate income tax liability for the value of the entire annuity jackpot rather than annual income tax liability for each installment when received.

m. Upon receipt, the commission shall immediately file a copy of a letter or ruling of the United States Internal Revenue Service or a published decision of a court of competent jurisdiction, described in subsection l. of this section, with the Secretary of State. No assignment shall be approved pursuant to subsection d. of this section after the date of such filing.

n. A voluntary assignment shall not include or cover payments, or portions of payments, that are subject to the offset pursuant to section 5 of this amendatory and supplementary act, P.L.2005, c.46 (C.5:12-100.2), or any other law, unless appropriate provisions are made to satisfy the obligations giving rise to the offset.

o. No assignee shall directly or indirectly recommend or facilitate the hiring of any lawyer or accountant to assist the assignor in determining the appropriateness of the proposed assignment. Further, the assignee shall not offer, prior to the closing, tax or investment advice.

L.2005, c. 46, § 4, eff. March 21, 2005.

### **5:12-100.2 Prompt notice of award of annuity jackpot; offset, lien for child support arrearages**

a. Each slot system operator that awards an annuity jackpot shall provide prompt notice to the commission of the name, address and social

security number of each annuity jackpot winner and the amount of the pending payments. The commission shall forward such information to the Office of Information Technology in the Department of the Treasury.

b. The Office of Information Technology shall cross check the annuity jackpot winner list with the data supplied by the Commissioner of Human Services pursuant to section 2 of P.L.1991, c.384 (C.5:9-13.2) for a social security number match. If a match is made, the Office of Information Technology shall notify the Commissioner of Human Services.

c. If an annuity jackpot winner is in arrears of a child support order, or is a former recipient of Aid to Families with Dependent Children or Work First New Jersey, food stamp benefits or low-income home energy assistance benefits who has incurred an overpayment which has not been repaid, the Probation Division of the Superior Court or the Department of Human Services, as appropriate, shall promptly notify the slot system operator of the name, address, social security number and amount due on an arrears child support order or the amount due on an overpayment. The slot system operator shall withhold this amount from the pending annuity jackpot payment and transmit same to the Probation Division of the Superior Court or the Department of Human Services, as appropriate, in accordance with regulations promulgated by the State Treasurer.

d. The Probation Division of the Superior Court, acting as agent for the child support payee or the county welfare agency that provided the public assistance benefits, as appropriate, shall have a lien on the proceeds of the annuity jackpot payment in an amount equal to the amount of child support arrearage or the amount of overpayment incurred, as appropriate. The lien imposed by this section shall be enforceable in the Superior Court. Any of the annuity jackpot winner's funds remaining after withholding pursuant to the lien established pursuant to this section shall be paid to the winner in accordance with the rules of the commission.

e. The Commissioner of Human Services shall promulgate such

regulations as may be necessary to effectuate the purposes of this section including, but not limited to, regulations providing for prompt notice to any annuity jackpot winner, from whose payments the Probation Division of the Superior Court or the Department of the Human Services seeks to withhold funds, of the amount to be withheld and the reason therefor and providing the annuity jackpot winner with the opportunity for a hearing upon request prior to the disposition of any funds.

f. The State Treasurer shall also provide, by regulation, safeguards against the disclosure or inappropriate use of any personally identifiable information regarding any person obtained pursuant to this section.

g. For the purposes of this section, “prompt notice” shall mean notice within 14 days or less.

L.2005, c. 46, § 5, eff. March 21, 2005.

### **5:12-101 Credit**

a. Except as otherwise provided in this section, no casino licensee or any person licensed under this act, and no person acting on behalf of or under any arrangement with a casino licensee or other person licensed under this act, shall:

(1) Cash any check, make any loan, or otherwise provide or allow to any person any credit or advance of anything of value or which represents value to enable any person to take part in gaming or simulcast wagering activity as a player; or

(2) Release or discharge any debt, either in whole or in part, or make any loan which represents any losses incurred by any player in gaming or simulcast wagering activity, without maintaining a written record thereof in accordance with the rules of the commission.

b. No casino licensee or any person licensed under this act, and no person acting on behalf of or under any arrangement with a casino licensee or

other person licensed under this act, may accept a check, other than a recognized traveler's check or other cash equivalent from any person to enable such person to take part in gaming or simulcast wagering activity as a player, or may give cash or cash equivalents in exchange for such check unless:

- (1) The check is made payable to the casino licensee;
- (2) The check is dated, but not postdated;
- (3) The check is presented to the cashier or the cashier's

representative at a location in the casino approved by the commission and is exchanged for cash or slot tokens which total an amount equal to the amount for which the check is drawn, or the check is presented to the cashier's representative at a gaming table in exchange for chips which total an amount equal to the amount for which the check is drawn; and

- (4) The regulations concerning check cashing procedures are observed by the casino licensee and its employees and agents.

Nothing in this subsection shall be deemed to preclude the establishment of an account by any person with a casino licensee by a deposit of cash or recognized traveler's check or other cash equivalent, or a check which meets the requirements of subsection g. of this section, or to preclude the withdrawal, either in whole or in part, of any amount contained in such account.

c. When a casino licensee or other person licensed under this act, or any person acting on behalf of or under any arrangement with a casino licensee or other person licensed under this act, cashes a check in conformity with the requirements of subsection b. of this section, the casino licensee shall cause the deposit of such check in a bank for collection or payment, or shall require an attorney or casino key employee with no incompatible functions to present such check to the drawer's bank for payment, within (1) seven calendar days of the date of the transaction for a check in an amount of \$1,000.00 or less; (2) 14 calendar days of the date of the transaction for a check in an amount greater than \$1,000.00 but less than or equal to \$5,000.00; or (3) 45 calendar days of the date of the transaction for a check in an amount greater than

\$5,000.00. Notwithstanding the foregoing, the drawer of the check may redeem the check by exchanging cash, cash equivalents, chips, or a check which meets the requirements of subsection g. of this section in an amount equal to the amount for which the check is drawn; or he may redeem the check in part by exchanging cash, cash equivalents, chips, or a check which meets the requirements of subsection g. of this section and another check which meets the requirements of subsection b. of this section for the difference between the original check and the cash, cash equivalents, chips, or check tendered; or he may issue one check which meets the requirements of subsection b. of this section in an amount sufficient to redeem two or more checks drawn to the order of the casino licensee. If there has been a partial redemption or a consolidation in conformity with the provisions of this subsection, the newly issued check shall be delivered to a bank for collection or payment or presented to the drawer's bank for payment by an attorney or casino key employee with no incompatible functions within the period herein specified. No casino licensee or any person licensed under this act, and no person acting on behalf of or under any arrangement with a casino licensee or other person licensed under this act, shall accept any check or series of checks in redemption or consolidation of another check or checks in accordance with this subsection for the purpose of avoiding or delaying the deposit of a check in a bank for collection or payment or the presentment of the check to the drawer's bank within the time period prescribed by this subsection.

In computing a time period prescribed by this subsection, the last day of the period shall be included unless it is a Saturday, Sunday, or a State or federal holiday, in which event the time period shall run until the next business day.

d. No casino licensee or any other person licensed under this act, or any other person acting on behalf of or under any arrangement with a casino licensee or other person licensed under this act, shall transfer, convey, or give, with or without consideration, a check cashed in conformity with the

requirements of this section to any person other than:

- (1) The drawer of the check upon redemption or consolidation in accordance with subsection c. of this section;
- (2) A bank for collection or payment of the check;
- (3) A purchaser of the casino license as approved by the commission; or
- (4) An attorney or casino key employee with no incompatible functions for presentment to the drawer's bank.

The limitation on transferability of checks imposed herein shall apply to checks returned by any bank to the casino licensee without full and final payment.

e. No person other than one licensed as a casino key employee or as a casino employee may engage in efforts to collect upon checks that have been returned by banks without full and final payment, except that an attorney-at-law representing a casino licensee may bring action for such collection.

f. Notwithstanding the provisions of any law to the contrary, checks cashed in conformity with the requirements of this act shall be valid instruments, enforceable at law in the courts of this State. Any check cashed, transferred, conveyed or given in violation of this act shall be invalid and unenforceable for the purposes of collection but shall be included in the calculation of gross revenue pursuant to section 24 of P.L. 1977, c. 110 (C. 5:12-24).

g. Notwithstanding the provisions of subsection b. of this section to the contrary, a casino licensee may accept a check from a person to enable the person to take part in gaming or simulcast wagering activity as a player, or may give cash or cash equivalents in exchange for such a check, or may accept a check in redemption or partial redemption of a check issued in accordance with subsection b., provided that:

- (1) (a) The check is drawn by a casino licensee pursuant to the provisions of subsection k. of section 100 of P.L. 1977, c. 110 (C. 5:12-100) or

upon a withdrawal of funds from an account established in accordance with the provisions of subsection b. of this section or is drawn by a casino licensee as payment for winnings from an authorized game or simulcast wagers;

(b) The check is issued by a banking institution which is chartered in a country other than the United States on its account at a federally chartered or state-chartered bank and is made payable to "cash," "bearer," a casino licensee, or the person presenting the check;

(c) The check is issued by a banking institution which is chartered in the United States on its account at another federally chartered or state-chartered bank and is made payable to "cash," "bearer," a casino licensee, or the person presenting the check;

(d) The check is issued by a slot system operator or pursuant to an annuity jackpot guarantee as payment for winnings from a multi-casino progressive slot machine system jackpot; or

(e) The check is issued by an affiliate of a casino licensee that holds a gaming license in any jurisdiction;

(2) The check is identifiable in a manner approved by the commission as a check issued for a purpose listed in paragraph (1) of this subsection;

(3) The check is dated, but not postdated;

(4) The check is presented to the cashier or the cashier's representative by the original payee and its validity is verified by the drawer in the case of a check drawn pursuant to subparagraph (a) of paragraph (1) of this subsection, or the check is verified in accordance with regulations promulgated by the commission in the case of a check issued pursuant to subparagraph (b), (c), (d) or (e) of paragraph (1) of this subsection; and

(5) The regulations concerning check cashing procedures are observed by the casino licensee and its employees and agents.

No casino licensee shall issue a check for the purpose of making a loan or otherwise providing or allowing any advance or credit to a person to



enable the person to take part in gaming or simulcast wagering activity as a player.

h. Notwithstanding the provisions of subsection b. and subsection c. of this section to the contrary, a casino licensee may, at a location outside the casino, accept a personal check or checks from a person for up to \$5,000 in exchange for cash or cash equivalents, and may, at such locations within the casino or casino simulcasting facility as may be permitted by the commission, accept a personal check or checks for up to \$5,000 in exchange for cash, cash equivalents, tokens, chips, or plaques to enable the person to take part in gaming or simulcast wagering activity as a player, provided that:

(a) The check is drawn on the patron's bank or brokerage cash management account;

(b) The check is for a specific amount;

(c) The check is made payable to the casino licensee;

(d) The check is dated but not post-dated;

(e) The patron's identity is established by examination of one of the following valid credit card, driver's license, passport, or other form of identification credential which contains, at a minimum, the patron's signature;

(f) The check is restrictively endorsed "For Deposit Only" to the casino licensee's bank account and deposited on the next banking day following the date of the transaction;

(g) The total amount of personal checks accepted by any one licensee pursuant to this subsection that are outstanding at any time, including the current check being submitted, does not exceed \$5,000;

(h) The casino licensee has an approved system of internal controls in place that will enable it to determine the amount of outstanding personal checks received from any patron pursuant to this subsection at any given point in time; and

(i) The casino licensee maintains a record of each such transaction in accordance with regulations established by the commission.

i. (Deleted by amendment, P.L.2004, c.128).

j. A person may request the commission to put that person's name on a list of persons to whom the extension of credit by a casino as provided in this section would be prohibited by submitting to the commission the person's name, address, and date of birth. The person does not need to provide a reason for this request. The commission shall provide this list to the credit department of each casino; neither the commission nor the credit department of a casino shall divulge the names on this list to any person or entity other than those provided for in this subsection. If such a person wishes to have that person's name removed from the list, the person shall submit this request to the commission, which shall so inform the credit department of casinos no later than three days after the submission of the request.

k. (Deleted by amendment, P.L.2004, c.128).

L.1977, c. 110, § 101, eff. June 2, 1977.

Amended by:

L.1985, c. 245, § 1, eff. July 17, 1985.

L.1987, c. 426, § 4, eff. Jan. 14, 1988.

L.1991, c. 182, § 39, eff. June 29, 1991.

L.1992, c. 9, § 11, eff. May 19, 1992.

L.1992, c. 19, § 33, eff. June 12, 1992.

L.1993, c. 292, § 21, eff. Dec. 21, 1993.

L.1995, c. 18, § 38, eff. Jan. 25, 1995.

L.2002, c. 65, § 23, eff. Aug. 14, 2002.

L.2004, c. 128, § 1, eff. Aug. 25, 2004.

L.2004, c. 184, § 8, eff. Dec. 22, 2004.

#### **5:12-101.1 Non-citizen patrons; proof of identity to establish accounts; multiple transactions**

No casino licensee or any person licensed under P.L. 1977, c. 110 (C. 5:12-1 et seq.), and no person acting on behalf of or under any arrangement with a casino licensee or other person licensed under P.L. 1977, c. 110, shall, in a single transaction during a gaming day, accept cash from a person offered for the purposes of establishing an account, when the amount offered totals

\$10,000.00 or more, unless the person presents proof of his identity and passport identification number if he is not a United States citizen.

Multiple currency transactions shall be treated as a single transaction if the casino licensee, person licensed under P.L. 1977, c. 110 or person acting on behalf of or under any arrangement with a casino licensee or other person licensed under P.L. 1977, c. 110 has knowledge that the transactions are by or on behalf of one person and result in either cash in or cash out totalling more than \$10,000.00 during a gaming day.

L.1987, c. 419, § 1, eff. Jan. 14, 1988.

#### **5:12-101.2 Non-citizen patrons; proof of identity to redeem chips or markers**

No casino licensee or any person licensed under P.L. 1977, c. 110 (C. 5:12-1 et seq.), and no person acting on behalf of or under any arrangement with a casino licensee or other person licensed under P.L. 1977, c. 110, shall, in a single transaction during a gaming day redeem for cash or credit any chips or markers in an amount of \$10,000.00 or more or exchange chips for cash in an amount of \$10,000.00 or more, from any one person, unless the person seeking to redeem the chips or markers presents proof of his identity and passport identification number if he is not a United States citizen.

Multiple currency transactions shall be treated as a single transaction if the casino licensee, person licensed under P.L. 1977, c. 110 or person acting on behalf of or under any arrangement with a casino licensee or other person licensed under P.L. 1977, c. 110 has knowledge that the transactions are by or on behalf of one person and result in either cash in or cash out totalling more than \$10,000.00 during a gaming day.

L.1987, c. 419, § 2, eff. Jan. 14, 1988.

### **5:12-101.3 Report of identities and passport numbers**

Casino licensees, persons licensed under P.L. 1977, c. 110 (C. 5:12-1 et seq.) and persons acting on behalf of or under any arrangement with casino licensees or other persons licensed under P.L. 1977, c. 110, who accept cash or redeem chips or markers totalling \$10,000.00 or more in a gaming day for which identification is required pursuant to sections 1 and 2 of this 1987 supplementary act, shall at least once every 30 days report the identities and passport numbers of the persons offering the cash, chips or markers, to the Division of Gaming Enforcement.

L.1987, c. 419, § 3, eff. Jan. 14, 1988.

### **5:12-102 Junkets and complimentary services**

a. No junkets may be organized or permitted except in accordance with the provisions of this act. No person may act as a junket representative or junket enterprise except in accordance with this section.

b. A junket representative employed by a casino licensee, an applicant for a casino license or an affiliate of a casino licensee shall be licensed as a casino employee in accordance with the provisions of P.L. 1977, c. 110 (C. 5:12-1 et seq.); provided, however, that said licensee need not be a resident of this State. Any person who holds a current and valid casino employee license may act as a junket representative while employed by a casino licensee or an affiliate. No casino licensee or applicant for a casino license may employ or otherwise engage a junket representative who is not so licensed.

c. Junket enterprises which, and representatives not employed by a casino licensee or an applicant for a casino license or by a junket enterprise who, are engaged in activities governed by this section shall be subject to the provisions of subsection c. of section 92 and subsection b. of section 104 of P.L.1977, c. 110 (C.5:12-92 and 5:12-104) with regard to those activities unless otherwise directed by the commission pursuant to subsection k. of this

section. Such of the owners, management and supervisory personnel, and other principal employees of a junket enterprise as the commission may consider appropriate for qualification shall qualify under the standards, except for residency, established for qualification of a casino key employee under P.L.1977, c. 110 (C. 5:12-1 et seq.).

d. Prior to the issuance of any license required by this section, an applicant for licensure shall submit to the jurisdiction of the State of New Jersey and shall demonstrate to the satisfaction of the commission that he is amenable to service of process within this State. Failure to establish or maintain compliance with the requirements of this subsection shall constitute sufficient cause for the denial, suspension or revocation of any license issued pursuant to this section.

e. Upon petition by the holder of a casino license, an applicant for junket representative licensure may be issued a temporary license by the commission, provided that:

- (1) the applicant for licensure is employed by a casino licensee;
- (2) the applicant for licensure has filed a completed application as required by the commission;
- (3) the division either certifies to the commission that the completed application for licensure as specified in paragraph (2) of this subsection has been in the possession of the division for at least 60 days or agrees to allow the commission to consider the application in some lesser time; and
- (4) the division does not object to the temporary licensure of the applicant; provided, however, that failure of the division to object prior to the temporary licensure of the applicant shall not be construed to reflect in any manner upon the qualifications of the applicant for licensure.

In addition to any other authority granted by P.L.1977, c. 110 (C. 5:12-1 et seq.), the commission shall have the authority, upon receipt of a representation by the division that it possess information which raises a

reasonable possibility that a junket representative does not qualify for licensure, to immediately suspend, limit or condition any temporary license issued pursuant to this subsection, pending a hearing on the qualifications of the junket representative, in accordance with the provisions of P.L.1977, c. 110 (C. 5:12-1 et seq.).

Unless otherwise terminated pursuant to P.L.1977, c. 110 (C. 5:12-1 et seq.), any temporary license issued pursuant to this subsection shall expire 12 months from the date of its issuance, and shall be renewable by the commission, in the absence of an objection by the division, as specified in paragraph (4) of this subsection, for one additional six-month period.

f. Every agreement concerning junkets entered into by a casino licensee and a junket representative or junket enterprise shall be deemed to include a provision for its termination without liability on the part of the casino licensee, if the commission orders the termination upon the suspension, limitation, conditioning, denial or revocation of the licensure of the junket representative or junket enterprise, in accordance with the provisions of P.L. 1977, c. 110 (C. 5:12-1 et seq.). Failure to expressly include such a condition in the agreement shall not constitute a defense in any action brought to terminate the agreement.

g. A casino licensee shall be responsible for the conduct of any junket representative or junket enterprise associated with it and for the terms and conditions of any junket engaged in on its premises, regardless of the fact that the junket may involve persons not employed by such a casino licensee.

h. A casino licensee shall be responsible for any violation or deviation from the terms of a junket. Notwithstanding any other provisions of this act, the commission may, after hearings in accordance with this act, order restitution to junket participants, assess penalties for such violations or deviations, prohibit future junkets by the casino licensee, junket enterprise or junket representative, and order such further relief as it deems appropriate.

i. The commission shall, by regulation, prescribe methods, procedures

and forms for the delivery and retention of information concerning the conduct of junkets by casino licensees. Without limitation of the foregoing, each casino licensee, in accordance with the rules of the commission, shall:

(1) Maintain on file a report describing the operation of any junket engaged in on its premises;

(2) (Deleted by amendment, P.L.1995, c.18.); and

(3) Submit to the commission and division a list of all its employees who are acting as junket representatives.

j. Each casino licensee, junket representative or junket enterprise shall, in accordance with the rules of the commission, file a report with the division with respect to each list of junket patrons or potential junket patrons purchased directly or indirectly by the casino licensee, junket representative or enterprise.

k. The commission shall have the authority to determine, either by regulation, or upon petition by the holder of a casino license, that a type of arrangement otherwise included within the definition of "junket" established by section 29 of P.L. 1977, c. 110 (C. 5:12-29) shall not require compliance with any or all of the requirements of this section. The commission shall seek the opinion of the division prior to granting any exemption. In granting exemptions, the commission shall consider such factors as the nature, volume and significance of the particular type of arrangement, and whether the exemption would be consistent with the public policies established by this act. In applying the provisions of this subsection, the commission may condition, limit, or restrict any exemption as the commission may deem appropriate.

l. No junket enterprise or junket representative or person acting as a junket representative may:

(1) Engage in efforts to collect upon checks that have been returned by banks without full and final payment;

(2) Exercise approval authority with regard to the authorization or issuance of credit pursuant to section 101 of P.L. 1977, c. 110 (C. 5:12-101);

(3) Act on behalf of or under any arrangement with a casino licensee or a gaming patron with regard to the redemption, consolidation, or substitution of the gaming patron's checks awaiting deposit pursuant to subsection c. of section 101 of P.L. 1977, c. 110 (C. 5:12-101);

(4) Individually receive or retain any fee from a patron for the privilege of participating in a junket;

(5) Pay for any services, including transportation, or other items of value provided to, or for the benefit of, any patron participating in a junket.

m. No casino licensee shall offer or provide any complimentary services, gifts, cash or other items of value to any person unless:

(1) The complimentary consists of room, food, beverage or entertainment expenses provided directly to the patron and his guests by the licensee or indirectly to the patron and his guests on behalf of a licensee by a third party; or

(2) The complimentary consists of documented transportation expenses provided directly to the patron and his guests by the licensee or indirectly to the patron and his guests on behalf of a licensee by a third party, provided that the licensee complies with regulations promulgated by the commission to ensure that a patron's and his guests' documented transportation expenses are paid for or reimbursed only once; or

(3) The complimentary consists of coins, tokens, cash or other complimentary items or services provided through a bus coupon or other complimentary distribution program which, notwithstanding the requirements of section 99 of P.L. 1977, c. 110 (C. 5:12-99), shall be filed with the commission upon the implementation of the program or maintained pursuant to commission regulation.

Notwithstanding the foregoing, a casino licensee may offer and provide complimentary cash or noncash gifts which are not otherwise included in paragraphs (1) through (3) of this subsection to any person, provided that any such gifts in excess of \$2,000.00 per trip or such greater amount as the



commission may establish by regulation, are supported by documentation regarding the reason the gift was provided to the patron and his guests, including where applicable, a patron's player rating, which documentation shall be maintained by the casino licensee. For the purposes of this paragraph, all gifts presented to a patron and the patron's guests directly by the licensee or indirectly on behalf of the licensee by a third party within any five-day period shall be considered to have been made during a single trip.

Each casino licensee shall maintain a regulated complimentary service account, for those complimentaries which are permitted pursuant to this section, and shall submit a quarterly report to the commission based upon such account and covering all complimentary services offered or engaged in by the licensee during the immediately preceding quarter. Such reports shall include identification of the regulated complimentary services and their respective costs, the number of persons by category of service who received the same, and such other information as the commission may require.

n. As used in this subsection, "person" means any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters affecting casino activity; any special State officer or employee with responsibility for matters affecting casino activity; the Governor; any member of the Legislature or full-time member of the Judiciary; any full-time professional employee of the Office of the Governor, or the Legislature; members of the Casino Reinvestment Development Authority; the head of a principal department; the assistant or deputy heads of a principal department, including all assistant and deputy commissioners; the head of any division of a principal department; any member of the governing body, or the municipal judge or the municipal attorney of a municipality wherein a casino is located; any member of or attorney for the planning board or zoning board of adjustment of a municipality wherein a casino is located, or any professional planner or consultant regularly employed or retained by such planning board or zoning board of adjustment.

No casino applicant or licensee shall provide directly or indirectly to any person any complimentary service or discount which is other than such service or discount that is offered to members of the general public in like circumstance.

o. Any person who, on the effective date of this 1992 amendatory act, P.L.1992, c. 9, holds a current and valid plenary junket representative license, a junket representative license with a sole owner-operator endorsement, or a junket enterprise license authorizing the conduct of junket activities, shall be considered licensed in accordance with the provisions of this section and subsection c. of section 92 of P.L.1977, c. 110 (C. 5:12-92) for the remaining term of his current license.

L.1977, c. 110, § 102, eff. June 2, 1977.

Amended by:

L.1980, c. 69, § 4, eff. July 14, 1980.

L.1980, c. 159, § 1, eff. Dec. 1, 1980.

L.1981, c. 142, § 1, eff. May 14, 1981.

L.1983, c. 41, § 7, eff. Jan. 27, 1983.

L.1984, c. 218, § 37, eff. Dec. 19, 1984.

L.1987, c. 426, § 5, eff. Jan. 14, 1988.

L.1991, c. 182, § 40, eff. June 29, 1991.

L.1992, c. 9, § 12, eff. May 19, 1992.

L.1995, c. 18, § 39, eff. Jan. 25, 1995.

L.2002, c. 65, § 24, eff. Aug. 14, 2002.

#### 5:12-103 Alcoholic beverages in casino hotel facilities

a. Notwithstanding any law to the contrary, the authority to grant any license for, or to permit or prohibit the presence of, alcoholic beverages in, on, or about any premises licensed as part of a casino hotel shall exclusively be vested in the commission.

b. Unless otherwise stated, and except where inconsistent with the purpose or intent of this act or the common understanding of usage thereof, definitions contained in Title 33 of the Revised Statutes shall apply to this section. Any definition contained therein shall apply to the same word in any

form.

c. Notwithstanding any provision of Title 33 of the Revised Statutes, the rules, regulations and bulletins promulgated by the director of the Division of Alcoholic Beverage Control, or any provision promulgated by any local authority, the authority to issue, renew, transfer, revoke or suspend a Casino Hotel Alcoholic Beverage License or any portion, location, privilege or condition thereof; to fine or penalize a Casino Hotel Alcoholic Beverage Licensee; to enforce all statutes, laws, ruling, or regulations relating to such license; and to collect license fees and establish application standards therefor, shall be, consistent with this act, exclusively vested in the commission or the division.

d. Except as otherwise provided in this section, the provisions of Title 33 of the Revised Statutes and the rules, regulations and bulletins promulgated by the director of the Division of Alcoholic Beverage Control shall apply to a Casino Hotel and Casino Hotel Alcoholic Beverage Licensee licensed under this act.

e. Notwithstanding any provision to the contrary, the commission may promulgate any regulations and special rulings and findings as may be necessary for the proper enforcement, regulation, and control of alcoholic beverages in casino hotels when the commission finds that the uniqueness of casino operations and the public interest require that such regulations, rulings, and findings are appropriate. Regulations of the commission may include but are not limited to: designation and duties of enforcement personnel; all forms necessary or convenient in the administration of this section; inspections, investigations, searches, seizures; licensing and disciplinary standards; requirements and standards for any hearings or disciplinary or other proceedings that may be required from time to time; the assessment of fines or penalties for violations; hours of sale; sales in original containers; sales on credit; out-of-door sales; limitations on sales; gifts and promotional materials; locations or places for sale; control of signs and other displays; identification of licensees and their employees; employment of aliens

and minors; storage, transportation and sanitary requirements; records to be kept by the Casino Hotel Alcoholic Beverage Licensees and availability thereof; practices unduly designed to increase consumption of alcoholic beverages; and such other matters whatsoever as are or may become necessary and consistent with the administration of this act.

f. (1) It shall be unlawful for any person, including any casino licensee or any of its lessees, agents or employees to expose for sale, solicit or promote the sale of, possess with intent to sell, sell, give, dispense, or otherwise transfer or dispose of alcoholic beverages in, on, or about any portion of the premises of a casino hotel, unless said person possesses a Casino Hotel Alcoholic Beverage License. Nothing herein or in any other law to the contrary, however, shall prohibit a casino beverage server in the course of his or her employment from inquiring of a casino patron whether such patron desires a beverage, whether or not such inquiry is phrased in terms of any word which may connote that the beverage is an alcoholic beverage.

(2) It shall be unlawful for any person issued a Casino Hotel Alcoholic Beverage License to expose, possess, sell, give, dispense, transfer, or otherwise dispose of alcoholic beverages, "other than within the terms and conditions of the Casino Hotel Alcoholic Beverage License issued, the provisions of Title 33 of the Revised Statutes, the rules and regulations promulgated by the director of the Division of Alcoholic Beverage Control, and, when applicable, the regulations promulgated pursuant to this act.

g. In issuing a Casino Hotel Alcoholic Beverage License the commission shall describe the scope of the particular license and the restrictions and limitations thereon as it deems necessary and reasonable. The commission may, in a single Casino Hotel Alcoholic Beverage License, permit the holder of such a license to perform any or all of the following activities, subject to applicable laws, rules and regulations:

(1) To sell any alcoholic beverage by the glass or other open receptacle including, but not limited to, an original container, for on-premise

consumption within a casino or simulcasting facility; provided, however, that no alcoholic beverage shall be sold or given for consumption; delivered or otherwise brought to a patron; or consumed at a gaming table unless so requested by the patron.

(2) To sell any alcoholic beverage by the glass or other open receptacle for on-premise consumption within a casino hotel, but not in a casino or simulcasting facility, or from a fixed location outside a building or structure containing a casino but on a casino hotel premises.

(3) To sell any alcoholic beverage in original containers for consumption outside the licensed area from an enclosed package room not in a casino or simulcasting facility.

(4) To sell any alcoholic beverage by the glass or other open receptacle or in original containers from a room service location within an enclosed room not in a casino or simulcasting facility; provided, however, that any sale of alcoholic beverages is delivered only to a guest room or to any other room in the casino hotel authorized by the commission, other than any room authorized by the commission pursuant to paragraph (1), (3), or (5) of this subsection.

(5) To possess or to store alcoholic beverages in original containers intended but not actually exposed for sale at a fixed location on a casino hotel premises, not in a casino or simulcasting facility; and to transfer or deliver such alcoholic beverages only to a location approved pursuant to this section; provided, however, that no access to or from a storage location shall be permitted except during the normal course of business by employees or agents of the licensee, or by licensed employees or agents of wholesalers or distributors licensed pursuant to Title 33 of the Revised Statutes and any applicable rules and regulations; and provided further, however, that no provision of this section shall be construed to prohibit a Casino Hotel Alcoholic Beverage Licensee from obtaining an off-site storage license from the Division of Alcoholic Beverage Control.

h.(1) No Casino Hotel Alcoholic Beverage License which authorizes the sale of alcoholic beverages within a casino pursuant to subsection g.(1) of this section shall issue to any applicant who does not hold a casino license issued pursuant to this act.

(2) No Casino Hotel Alcoholic Beverage License which authorizes the possession, sale or storage of alcoholic beverages pursuant to subsection g.(2), (3), (4), or (5) of this section shall issue to any applicant who would not qualify under the standards for licensure of a casino service industry pursuant to subsection c. of section 92 of P.L.1977, c. 110 (C. 5:12-92).

(3) No Casino Hotel Alcoholic Beverage License which authorizes the possession or storage of alcoholic beverages pursuant to subsection g. of this section shall issue to any applicant who does not hold a Casino Hotel Alcoholic Beverage License, permitting any activity pursuant to subsection g.(1), (2), (3), or (4) of this section.

i. The commission may revoke, suspend, refuse to renew or refuse to transfer any Casino Hotel Alcoholic Beverage License, or fine or penalize any Casino Hotel Alcoholic Beverage Licensee for violations of any provision of Title 33 of the Revised Statutes, the rules and regulations promulgated by the director of the Division of Alcoholic Beverage Control, and the regulations promulgated by the commission.

j. Jurisdiction over all alcoholic beverage licenses previously issued with respect to the casino hotel facility is hereby vested in the commission, which in its discretion may by regulation provide for the conversion thereof into a Casino Hotel Alcoholic Beverage License as provided in this section.

L.1977, c. 110, § 103, eff. June 2, 1977.

Amended by:

L.1982, c. 148, § 2, eff. Jan. 6, 1983.

L.1991, c. 182, § 41, eff. June 29, 1991.

L.1992, c. 19, § 34, eff. June 12, 1992.

L.1993, c. 292, § 22, eff. Dec. 21, 1993.

L.2002, c. 65, § 25, eff. Aug. 14, 2002.

#### **5:12-104 Casino licensee leases and contracts**

a. Unless otherwise provided in this subsection, no agreement shall be lawful which provides for the payment, however defined, of any direct or indirect interest, percentage or share of: any money or property gambled at a casino or simulcasting facility; any money or property derived from casino gaming activity or wagering at a simulcasting facility; or any revenues, profits or earnings of a casino or simulcasting facility. Notwithstanding the foregoing:

(1) Agreements which provide only for the payment of a fixed sum which is in no way affected by the amount of any such money, property, revenues, profits or earnings shall not be subject to the provisions of this subsection; and receipts, rentals or charges for real property, personal property or services shall not lose their character as payments of a fixed sum because of contract, lease, or license provisions for adjustments in charges, rentals or fees on account of changes in taxes or assessments, cost-of-living index escalations, expansion or improvement of facilities, or changes in services supplied.

(2) Agreements between a casino licensee and a junket enterprise or junket representative licensed, qualified or registered in accordance with the provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations of the commission which provide for the compensation of the junket enterprise or junket representative by the casino licensee based upon the actual casino gaming or simulcast wagering activities of a patron procured or referred by the junket enterprise or junket representative shall be lawful if filed with the division prior to the conduct of any junket that is governed by the agreement.

(3) Agreements between a casino licensee and its employees which provide for casino employee or casino key employee profit sharing shall be lawful if the agreement is in writing and filed with the commission prior to its effective date. Such agreements may be reviewed by the commission under any relevant provision of P.L.1977, c.110 (C.5:12-1 et seq.).

(4) Agreements to lease an approved casino hotel or the land

thereunder and agreements for the complete management of all casino gaming operations in a casino hotel shall not be subject to the provisions of this subsection but shall rather be subject to the provisions of subsections b. and c. of section 82 of this act.

(5) Agreements which provide for percentage charges between the casino licensee and a holding company or intermediary company of the casino licensee shall be in writing and filed with the commission but shall not be subject to the provisions of this subsection.

(6) Agreements relating to simulcast racing and wagering between a casino licensee and an in-State or out-of-State sending track licensed or exempt from licensure in accordance with subsection c. of section 92 of P.L. 1977, c. 110 (C. 5:12-92) shall be in writing, be filed with the commission, and be lawful and effective only if expressly approved as to their terms by the commission and the New Jersey Racing Commission, except that any such agreements which provide for a percentage of the parimutuel pool wagered at a simulcasting facility to be paid to the sending track shall not be subject to the provisions of this subsection.

(7) Agreements relating to simulcast racing and wagering between a casino licensee and a casino service industry licensed pursuant to the provisions of subsection a. of section 92 of P.L. 1977, c. 110 (C. 5:12-92) as a hub facility, as defined in joint regulations of the Casino Control Commission and the New Jersey Racing Commission, shall be in writing, be filed with the commission, and be lawful and effective only if expressly approved as to their terms by the commission and the New Jersey Racing Commission, except that any such agreements which provide for a percentage of the casino licensee's share of the parimutuel pool wagered at a simulcasting facility to be paid to the hub facility shall not be subject to the provisions of this subsection.

(8) Agreements relating to simulcast racing and wagering between a casino licensee and a casino service industry licensed pursuant to the provisions of subsection a. of section 92 of P.L. 1977, c. 110 (C. 5:12-92) to



conduct casino simulcasting in a simulcasting facility shall be in writing, be filed with the commission, and be lawful and effective only if expressly approved as to their terms by the commission, except that any such agreements which provide for a percentage of the casino licensee's share of the parimutuel pool wagered at a simulcasting facility to be paid to the casino service industry shall not be subject to the provisions of this subsection.

(9) Written agreements relating to the operation of multi-casino progressive slot machine systems between one or more casino licensees and a casino service industry licensed pursuant to the provisions of subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such license, which provide for an interest, percentage or share of the casino licensee's revenues, profits or earnings from the operation of such multi-casino progressive slot machines to be paid to the casino service industry licensee or applicant shall not be subject to the provisions of this subsection if the agreements are filed with and approved by the commission.

(10) A written agreement between a casino licensee and a casino service industry licensed pursuant to subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such license, relating to the construction, renovation or operation of qualifying sleeping units, as defined in section 27 of P.L.1977, c.110 (C.5:12-27), or of non-gaming amenities, as defined by the commission, within the limits of the city of Atlantic City, regardless of whether such qualifying sleeping units or non-gaming amenities are connected to a casino hotel facility, which provides for an interest, percentage or share of the casino licensee's revenues, profits or earnings, not to exceed 5% of the casino licensee's revenues, to be paid to the casino service industry licensee or applicant in return for the construction, renovation or operation of such qualifying sleeping units or non-gaming amenities shall not be subject to the provisions of this subsection provided that: (i) the agreement requires a capital investment, at least 10% of which shall be made by the casino service industry licensee or applicant over the term of the agreement, of

not less than \$30 million, which minimum amount shall be adjusted periodically by the commission for inflation; (ii) the commission finds that the total amount of casino revenues, profits or earnings that can be paid to the casino service industry licensee or applicant pursuant to this agreement is commercially reasonable under the circumstances; and (iii) the agreement is filed with and approved by the commission.

b. Each casino applicant or licensee shall maintain, in accordance with the rules of the commission, a record of each written or unwritten agreement regarding the realty, construction, maintenance, or business of a proposed or existing casino hotel or related facility. The foregoing obligation shall apply regardless of whether the casino applicant or licensee is a party to the agreement. Any such agreement may be reviewed by the commission on the basis of the reasonableness of its terms, including the terms of compensation, and of the qualifications of the owners, officers, employees, and directors of any enterprise involved in the agreement, which qualifications shall be reviewed according to the standards enumerated in section 86 of this act. If the commission disapproves such an agreement or the owners, officers, employees, or directors of any enterprise involved therein, the commission may require its termination.

Every agreement required to be maintained, and every related agreement the performance of which is dependent upon the performance of any such agreement, shall be deemed to include a provision to the effect that, if the commission shall require termination of an agreement pursuant to this subsection, such termination shall occur without liability on the part of the casino applicant or licensee or any qualified party to the agreement or any related agreement. Failure expressly to include such a provision in the agreement shall not constitute a defense in any action brought to terminate the agreement. If the agreement is not maintained or presented to the commission in accordance with commission regulations, or the disapproved agreement is not terminated, the commission may pursue any remedy or combination of

remedies provided in this act.

For the purposes of this subsection, "casino applicant" includes any person required to hold a casino license pursuant to section 82 of P.L.1977, c. 110 (C. 5:12-82) who has applied to the commission for a casino license or any approval required under P.L. 1977, c. 110 (C. 5:12-1 et seq.).

c. Nothing in this act shall be deemed to permit the transfer of any license, or any interest in any license, or any certificate of compliance or any commitment or reservation.

L.1977, c. 110, § 104, eff. June 2, 1977.

Amended by:

L.1979, c. 282, § 34, eff. Jan. 9, 1980.

L.1987, c. 355, § 8, eff. Jan. 4, 1988.

L.1992, c. 19, § 35, eff. June 12, 1992.

L.1993, c. 121, § 2, eff. May 27, 1993.

L.1993, c. 292, § 23, eff. Dec. 21, 1993.

L.1996, c. 84, § 7, eff. July 25, 1996.

L.2002, c. 65, § 26, eff. Aug. 14, 2002.

L.2003, c. 116, § 2, eff. July 1, 2003.

L.2005, c. 31, § 4, eff. Feb. 17, 2005, oper. Apr. 30, 2005.

### **5:12-105 Disposition of securities by corporate licensee**

a. The sale, assignment, transfer, pledge or other disposition of any security issued by a corporation which holds a casino license is conditional and shall be ineffective if disapproved by the commission.

b. Every security issued by a corporation which holds a casino license shall bear, on both sides of the certificate evidencing such security, a statement of the restrictions imposed by this section, except that in the case of a publicly traded corporation incorporated prior to the effective date of this act, a statement of restriction shall be necessary only insofar as certificates are issued by such corporation after the effective date of this act.

c. The Secretary of State shall not accept for filing any articles of incorporation of any corporation which includes as a stated purpose the

conduct of casino gaming, or any amendment which adds such purpose to articles of incorporation already filed, unless such articles or amendments have been approved by the commission and a copy of such approval is annexed thereto upon presentation for filing with the Secretary of State.

d. If at any time the commission finds that an individual owner or holder of any security of a corporate licensee or of a holding or intermediary company with respect thereto is not qualified under this act, and if as a result the corporate licensee is no longer qualified to continue as a casino licensee in this State, the commission shall, pursuant to the provisions of this act, take any necessary action to protect the public interest, including the suspension or revocation of the casino license of the corporation; provided, however, that if the holding or intermediary company is a publicly traded corporation and the commission finds disqualified any holder of any security thereof who is required to be qualified under section 85 d. of this act, and the commission also finds that: (1) the holding or intermediary company has complied with the provisions of section 82 d.(7) of this act; (2) the holding or intermediary company has made a good faith effort, including the prosecution of all legal remedies, to comply with any order of the commission requiring the divestiture of the security interest held by the disqualified holder; and (3) such disqualified holder does not have the ability to control the corporate licensee or any holding or intermediary company with respect thereto, or to elect one or more members of the board of directors of such corporation or company, the commission shall not take action against the casino licensee or the holding or intermediary company with respect to the continued ownership of the security interest by the disqualified holder. For purposes of this act, a security holder shall be presumed to have the ability to control a publicly traded corporation, or to elect one or more members of its board of directors, if such holder owns or beneficially holds 5% or more of the equity securities of such corporation, unless such presumption of control or ability to elect is rebutted by clear and convincing evidence.

e. Commencing on the date the commission serves notice upon a corporation of the determination of disqualification under subsection d. of this section, it shall be unlawful for the named individual:

(1) To receive any dividends or interest upon any such securities;

(2) To exercise, directly or through any trustee or nominee, any right conferred by such securities; or

(3) To receive any remuneration in any form from the corporate licensee for services rendered or otherwise.

f. After a nonpublicly traded corporation has been issued a casino license pursuant to the provisions of this act, but prior to the issuance or transfer of any security to any person required to be but not yet qualified in accordance with the provisions of this act, such corporation shall file a report of its proposed action with the commission, and shall request the approval of the commission for the transaction. If the commission shall deny the request, the corporation shall not issue or transfer such security. After a publicly traded corporation has been issued a casino license, such corporation shall file a report quarterly with the commission, which report shall list all owners and holders of any security issued by such corporate casino licensee.

g. Each corporation which has been issued a casino license pursuant to the provisions of this act shall file a report of any change of its corporate officers or members of its board of directors with the commission. No officer or director shall be entitled to exercise any powers of the office to which he was so elected or appointed until qualified by the commission in accordance with the provisions of this act.

L.1977, c. 110, § 105, eff. June 2, 1977.

Amended by:

L.1979, c. 282, § 35, eff. Jan. 9, 1980.

L.1987, c. 355, § 9, eff. Jan. 4, 1988.

L.1991, c. 182, § 42, eff. June 29, 1991.

### **5:12-106 Casino employment**

a. A casino licensee shall not appoint or employ in a position requiring a casino key employee license, a casino employee license, or a casino service employee registration any person not possessing a current and valid license or registration permitting such appointment or employment.

b. A casino licensee shall, within 24 hours of receipt of written or electronically transferred notice thereof, terminate the appointment or employment of any person whose license or registration has been revoked or has expired. A casino licensee shall comply in all respects with any order of the commission imposing limitations or restrictions upon the terms of employment or appointment in the course of any investigation or hearing.

c. An applicant for or holder of a casino key employee license or a casino employee license whose application is denied or whose licensure is revoked, as the case may be, shall not, in addition to any restrictions imposed by the regulations of the commission on a reapplication for licensure, be employed by a casino licensee in a position that does not require a license until five years have elapsed from the date of the denial or revocation, except that the commission may permit such employment upon good cause shown.

L.1977, c. 110, § 106, eff. June 2, 1977.

Amended by:

L.1981, c. 503, § 16, eff. Feb. 15, 1982.

L.1987, c. 410, § 9, eff. Jan. 14, 1988.

L.1991, c. 182, § 43, eff. June 29, 1991.

L.1993, c. 292, § 24, eff. Dec. 21, 1993.

L.1995, c. 18, § 40, eff. Jan. 25, 1995.